

John J. Pringle, Jr.
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October 3, 2005

VIA ELECTRONIC AND FIRST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Joint Application of Claricom Networks, LLC and Matrix
Telecom, Inc. for Expedited Approval of the Transfer of
Membership Interests and the Merger of Claricom
Networks, LLC and Matrix Telecom, Inc.
Docket No. 2005-~~301~~-C, ELS File No. 1089-10330

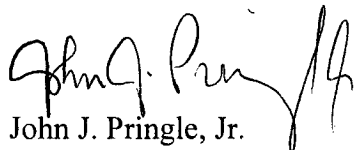
Dear Mr. Terreni:

Enclosed is the original and ten (10) copies of the **Joint Application** filed
on behalf of Claricom Networks, LLC and Matrix Telecom, Inc. in the above-referenced
matter.

Please acknowledge your receipt of this document by file-stamping the
copy of this letter enclosed, and returning it in the enclosed envelope. ✓~~11/18~~

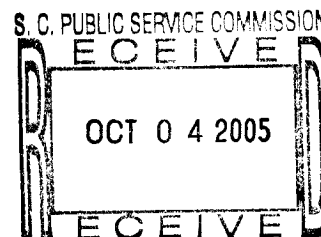
If you have any questions or need additional information, please do not
hesitate to contact me.

Very truly yours,


John J. Pringle, Jr.

JJP/cr

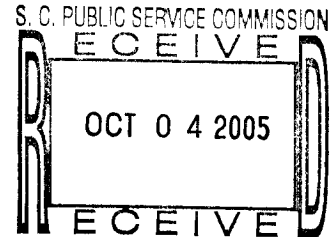
cc: Office of Regulatory Staff Legal Department
Ms. Judith A. Riley
Enclosures



**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE STATE OF SOUTH CAROLINA**

DOCKET NO. 2005-____-C

Joint Application of)
)
Claricom Networks, LLC, and)
Matrix Telecom, Inc.,)
)
for Expedited Approval of the Transfer)
of Membership Interests and the)
Merger of Claricom Networks, LLC)
and Matrix Telecom, Inc.)



JOINT APPLICATION

Claricom Networks, LLC (hereinafter referred to as "Claricom"), and Matrix Telecom, Inc. (hereinafter referred to as "Matrix"), (together "Applicants"), by their undersigned counsel, pursuant to §§ 58-9-300 and 58-9-310 of the South Carolina Code of Laws, hereby request approval of the proposed transfer of all of the membership interests of Claricom, ultimately to Matrix and of the merger of Claricom with and into Matrix.

In support of this Application, Applicants state the following:

I. PARTIES OF RECORD.

A. Claricom Networks, LLC

Claricom is a limited liability company organized under the laws of the State of Delaware with its principal offices located at 300 N. Meridian, Oklahoma City, OK 73107. Claricom provides domestic and international long distance services to business and residential customers throughout the continental United States. Claricom is authorized to provide intrastate inter-exchange telecommunications services in South Carolina.¹ Claricom is certificated as an interexchange reseller in the forty-eight contiguous states where required and as a competitive

¹ Docket 97-082-C.

local exchange carrier in twenty-two states including South Carolina.² Claricom also provides interstate and international telecommunications services pursuant to the authorities granted to it by the Federal Communications Commission. A Certificate of Good Standing in the State of South Carolina for Claricom is attached hereto as Attachment A.

B. Matrix Telecom, Inc.

Matrix is a corporation organized under the laws of the State of Texas with its principal offices located at 300 N. Meridian, Oklahoma City, OK 73107. Matrix provides domestic and international long distance services to business and residential customers throughout the United States. Matrix is authorized to provide intrastate inter-exchange telecommunications services in South Carolina.³ Matrix is certificated as an interexchange reseller in all fifty states where required and as a competitive local exchange carrier in thirty-six states including South Carolina.⁴ Matrix also provides interstate and international telecommunications services pursuant to the authorities granted to it by the Federal Communications Commission. A Certificate of Good Standing in the State of South Carolina for Matrix is attached hereto as Attachment B.

II. OTHER PARTIES TO THE TRANSACTION

A. Stacom Holdings LLC

Stacom is a Delaware limited liability company with its principal offices located at 360 N. Crescent Drive, South Building, Beverly Hills, CA 90210. Stacom is a holding company and holds 100% of the membership interests of Claricom. Stacom in turn is a wholly-owned subsidiary of Platinum.

B. EnergyTRACS Acquisition Corp.

ETAC is a corporation organized under the laws of the State of Delaware with its

² Issued on September 14, 2000 in Docket No. 2000-283-C.

³ Issued on December 19, 1990 in Docket No. 1990-517-C.

⁴ Issued on August 25, 2005 in Docket No. 2005-98-C.

principal offices located at 360 N. Crescent Drive, South Building, Beverly Hills, CA 90210. ETAC is a holding company and holds all of the issued and outstanding capital stock of Matrix. ETAC in turn is a wholly-owned subsidiary of Platinum.

C. Platinum Equity, LLC

Platinum is a Delaware limited liability company formed as a vehicle for the acquisition of companies and is the ultimate parent of Matrix, ETAC, Claricom and Stacom. Platinum's portfolio companies are primarily mission-critical service and solutions providers. The Platinum portfolio is comprised of 21 businesses, with over 40,000 employees serving more than 600,000 customer sites worldwide.

Attached hereto as Attachment C is a current organizational chart reflecting the relationship of the Applicants prior to the transactions described herein as well as a post-transaction organizational chart. By this Application, Applicants seek Commission approval of the proposed transfer of all the membership interests of Claricom, currently held by Stacom, to Matrix and of the merger of Claricom with and into Matrix with Matrix being the surviving entity.

II. **DESCRIPTION OF THE TRANSACTION**

Matrix was acquired by Platinum in 1999. Claricom was acquired by Platinum in 2001. Since their acquisitions, Matrix and Claricom have operated as separate entities but under common management. Attached hereto as Attachment D is a listing of the officers and directors of Matrix and Claricom. As Matrix and Claricom provide the same services to the same markets, it has been determined that their customers can be served more efficiently by combining Matrix and Claricom into one company. To that end, Applicants seek approval of the transfer of the membership interests of Claricom, currently held by Stacom, initially to Platinum, who will then transfer those interests to ETAC. The final transfer of the membership interests of Claricom will be from ETAC to Matrix. Claricom will then be merged with and into Matrix with Matrix being the surviving entity. This transaction will be completed on December 31, 2005 at 11:59 p.m. Upon the completion of the transaction described hereinabove, the customers of Claricom would

be served by Matrix and Claricom would cease to exist. As a result, Claricom intends to surrender its certifications effective December 31, 2005 at 11:59 p.m.

IV. PUBLIC INTEREST

Grant of the proposed transaction will serve the public interest. There will be no change to the rates, terms or conditions of service to the Claricom customers as a result of the transaction. All managerial and technical aspects of the provision of reliable telecommunication services will be handled in the same manner and by the same individuals who provide the managerial and technical support for Claricom today. Further, consummation of the proposed transaction will serve the public interest in promoting competition in the intrastate inter-exchange and local telecommunications market by providing Matrix the opportunity to strengthen its competitive position by combining Claricom's customer base with Matrix's current customers. Approval of the transaction will permit Matrix to realize significant economic and marketing efficiencies which will enhance its ability to continue providing high quality, low cost telecommunications services and to compete more effectively in the telecommunications market. Matrix's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed transaction will benefit consumers through improved services and lower rates, thereby promoting competition in the telecommunications market. The market for voice and data services is becoming increasingly competitive in nature and such competition benefits consumers. Therefore, approval of the proposed transaction is in the public interest.

V. REQUEST FOR EXPEDITED APPROVAL

Applicants request that the Commission process this Application on an expedited basis to insure that the transaction can be completed on December 31, 2005. Expedition is warranted so that Applicants may transfer the Claricom customer base to Matrix with a minimum of disruption and confusion. Expedited treatment will reduce consumer uncertainty as to the timing of the transaction and will permit Applicants to arrange an orderly and seamless transition of the customers from Claricom to Matrix.

Applications for approval of this transaction will be filed with the FCC and every state in which Applicants are required to file for approval. Letters of notification will be sent to all other

states in which Matrix and Claricom operate.

Applicants intend to provide at least 30 days' advance subscriber notice of the transfer to Matrix. Attached hereto as Attachment E is a copy of the Notice that will be sent to all subscribers. Each of the subscribers will receive the requisite advance notice and will see no change in rates, terms or conditions of service from those currently in effect. The proposed transaction will be seamless and virtually transparent to said subscribers. Therefore, the public interest would be served by Commission grant of expedited approval of this Application.

VI. CONTACT INFORMATION.

Applicants provide the following contact information for questions, notices, pleadings and other communications concerning this Application:

John J. Pringle, Jr.
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202-2285
(803) 343-1270 (Tel)
(803) 799-8479 (Fax)
jpringle@ellislawhorne.com

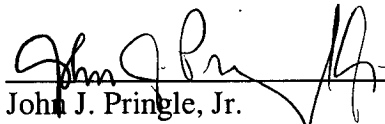
Counsel to Applicants

VII. CONCLUSION.

For the reasons stated herein, Applicants request expedited approval of the transfer of all of the membership interests of Claricom, currently held by Stacom, ultimately to Matrix and of the merger of Claricom with and into Matrix, as described herein, to permit Applicants to consummate this merger on December 31, 2005. Further, Applicants request that the Commission approve the discontinuance of service by Claricom as of the date set out above, and grant such other relief as is just and proper.

Dated this 3rd day of October, 2005.

Respectfully Submitted,



John J. Pringle, Jr.
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202-2285
(803) 343-1270 (Tel)
(803) 799-8479 (Fax)
jpringle@ellislawhorne.com

Counsel to Applicants

ATTACHMENT A

**CLARICOM'S CERTIFICATE OF GOOD STANDING – SOUTH CAROLINA
(ATTACHED)**

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Authorization

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

CLARICOM NETWORKS, LLC, A Limited Liability Company duly organized under the laws of the State of DELAWARE, and issued a certificate of authority to transact business in South Carolina on December 17th, 2001, with a duration that is at will, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed a certificate of cancellation as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
30th day of August, 2005.

A handwritten signature in cursive script that reads "Mark Hammond".

Mark Hammond, Secretary of State

ATTACHMENT B

**MATRIX'S CERTIFICATE OF GOOD STANDING – SOUTH CAROLINA
(ATTACHED)**

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Authorization

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

MATRIX TELECOM, INC.,
a corporation duly organized under the laws of the state of **TEXAS** and issued a certificate of authority to transact business in South Carolina on **August 26th, 1994**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
30th day of August, 2005.

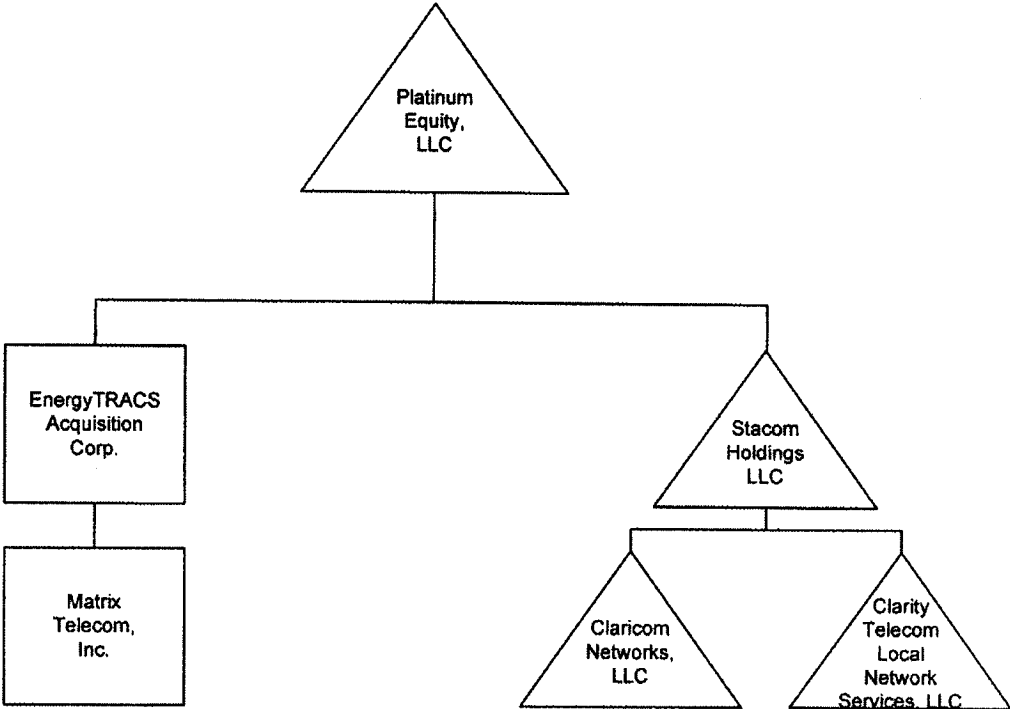
A handwritten signature in cursive script that reads "Mark Hammond".
Mark Hammond, Secretary of State

ATTACHMENT C

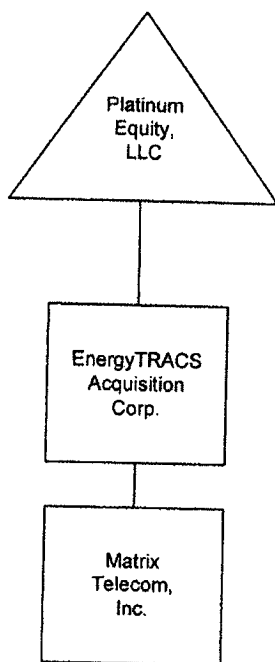
PRE-TRANSACTION ORGANIZATIONAL CHART

&

**POST-TRANSACTION ORGANIZATIONAL CHART
(ATTACHED)**



**PRIVILEGED AND CONFIDENTIAL
FOR INTERNAL USE ONLY**



All 100% ownership unless states otherwise

ATTACHMENT D
OFFICERS AND DIRECTORS
(ATTACHED)

Platinum Equity, LLC

Tom T. Gores	Manager, Chief Executive Officer and President
Robert J. Joubran	Chief Operating Officer and Treasurer
Philip E. Norment	President of Portfolio Operations
John H. Diggins	Executive Vice President
Eva M. Kalawski	Executive Vice President, General Counsel and Secretary
Johnny O. Lopez	Executive Vice President
Gary L. Newton	Executive Vice President
Mary Ann Sigler	Executive Vice President
Robert J. Wentworth	Executive Vice President
David M. Anglin	Chief Technology Officer
Sally Anne Ward	Assistant Secretary
Barbara J. Schmidt	Assistant Treasurer
Dawn Walloch	Assistant Treasurer

Claricom Networks, LLC

Eva M. Kalawski	Manager, Vice President and Secretary
Dennis Smith	President
Charles Taylor	Chief Financial Officer
Robert J. Joubran	Vice President and Treasurer
Gregory Taylor	Vice President
Stephen T. Zollo	Vice President
Sally A. Ward	Assistant Secretary
Dawn Walloch	Assistant Treasurer

EnergyTRACS Acquisition Corp.

Tom T. Gores	Director and President
Robert J. Joubran	Vice President and Treasurer
Eva M. Kalawski	Vice President and Secretary
Stephen T. Zollo	Vice President
Sally A. Ward	Assistant Secretary
Barbara J. Schmidt	Assistant Treasurer
Dawn Walloch	Assistant Treasurer

Matrix Telecom, Inc.

Eva M. Kalawski	Director, Vice President and Secretary
Dennis Smith	President
Robert J. Joubran	Vice President and Treasurer
Stephen T. Zollo	Vice President
Sally A. Ward	Assistant Secretary
Barbara J. Schmidt	Assistant Treasurer
Dawn Walloch	Assistant Treasurer

Stacom Holdings LLC

Eva M. Kalawski	Manager, Vice President and Secretary
Tom T. Gores	President
Robert J. Joubran	Vice President and Treasurer
Stephen T. Zollo	Vice President
Sally A. Ward	Assistant Secretary
Dawn Walloch	Assistant Treasurer

ATTACHMENT E
SUBSCRIBER NOTICE
(ATTACHED)



NOTICE OF TRANSFER OF TELEPHONE SERVICE

September 30, 2005

Dear Customer:

Claricom Networks, LLC ("Claricom") currently provides your local and/or long distance service. Claricom and its affiliate, Matrix Telecom, Inc. ("Matrix") have agreed to merge in the near future, as a result of which Matrix will be the provider of local and/or long distance services to Claricom customers. This merger will not affect your rates or the terms and conditions of your service.

Subject to obtaining state and federal regulatory approvals, we anticipate that the merger will occur on or about December 31, 2005. Unless you have begun using a service provider other than Claricom prior to this date, Matrix will become your local and/or long distance service provider following the merger. If Claricom is not your local service provider, the merger with Matrix will not impact your local carrier selection.

The rates you currently pay for long distance, as well as your terms and conditions of service, will remain unchanged immediately following the merger. If, in the future, there are any changes to your rates or the terms and conditions of your service, you will be notified of them by mail.

Except in the event of the existence of a contract for your telecommunications service, you have the right to subscribe to local and long distance service from any service provider you wish. This decision is entirely up to you, and you may choose to switch to another carrier either before or after this change occurs. Matrix values your continued business and will gladly respond to any questions or complaints you may have about your service either prior to or during the change. Because of this change, a carrier change charge may appear on your bill. However, Matrix will be happy to credit any such charges that appear on your bill due to the change to Matrix. However, selecting a carrier other than Matrix may result in a charge being imposed for which Matrix will not be responsible.

If you are a long distance customer only, and you have arranged a preferred carrier freeze through your local carrier on the service(s) involved in this transfer, the freeze will be removed in order to allow Matrix to operate as your service provider. After the merger, you must contact your local carrier if you want to re-establish a preferred carrier freeze.

Until the merger takes place, Claricom will continue to be responsible for all customer service and billing issues. You should contact Claricom with any complaints or other customer services inquiries you may have prior to the merger. After the merger, you should refer your questions to Matrix.

If you have any questions regarding this notice, please contact Matrix toll-free at (888) 829-6926.

Sincerely,

Matrix Telecom, Inc.
Claricom Networks, LLC

ATTACHMENT F
PROPOSED NOTICE OF FILING

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-__-C

Claricom Networks, LLC ("Claricom"), and Matrix Telecom, Inc. ("Matrix"), (together the Applicants) have filed with the Public Service Commission of South Carolina (the Commission) a Joint Application for authority to complete a merger and the assignment of an authorization to provide telecommunications services within the State of South Carolina. The Joint Application was filed pursuant to South Carolina Code Ann. Sections 58-9-300 and 58-9-310 and the rules and regulations of the Commission. Specifically, Claricom and Matrix, which are both wholly-owned subsidiaries of Platinum Equity, LLC propose to undergo a series of transactions whereby Claricom ultimately will be merged into Matrix, Matrix will provide service to the Claricom customers, and Claricom will discontinue providing service to its customers.

A copy of the Application is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Columbia, South Carolina 29210 and is available from John J. Pringle, Jr., Esquire, ELLIS LAWHORNE & SIMS, P.A., P. O. Box 2285, Columbia, SC 29202.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before and indicate the amount of time required for his presentation. *Please refer to Docket No. 2005--C.*

Any person who wishes to testify and present evidence at a hearing (if scheduled) should notify the Docketing Department in writing at the address below, and John J. Pringle, Jr., Esquire, at the above address in writing, on or before , and indicate the amount of time required for his presentation. *Please refer to Docket No. 2005--C.*

Any person who wishes to be notified of the hearing date (should one be held in this Docket), or any changes in a scheduled hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before . *Please refer to Docket No. 2005--C.*

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5113.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211

OCT/__/05